GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1035
ANSWERED ON:04.12.2015
IT Rebate to Cooperative Banks/ Societies
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Will the Minister of FINANCE be pleased to state:

(a) the details of the loss suffered by the Cooperative Credit Institutions that cater to agriculture sector on account of their inclusion under the Income Tax Act;

(b) if so, the details thereof;

(c) whether the Government has any proposal to give cooperative banks/ societies relief from the income earned from agricultural business ; and

(d) if so, the details thereof ?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): The data regarding the losses incurred by Cooperative Credit Institutions on account of their inclusion under Income Tax is not reported/maintained.

(c) & (d): Section 80P of the Income-tax Act, 1961 presently provides hundred per cent deduction to co-operative societies of profits and gains of business attributable to marketing of agricultural produce grown by its members, purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to its members, processing, without the aid of power, of the agricultural produce of its members. Besides 100% deduction of profits and gains of a primary cooperative society from supply of milk, oilseed, fruits or vegetables raised or grown by its members to federal cooperative society engaged in same business is also available under section 80P of the Income tax Act. At present, there is no proposal to provide any further exemption.